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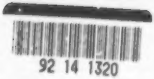
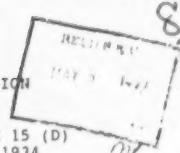


FORM 10-Q



SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15 (D)
OF THE SECURITIES EXCHANGE ACT OF 1934

92-2232

For Quarterly Period Ended June 30, 1991

Commission File No. 0-6106

UNITED LEISURE CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware	13-2652243
(State or Other Jurisdiction of Incorporation or Organization)	IRS Employer Identification

8800 Irvine Center Drive, Irvine, California 92718
(Address of Principal Executive Offices)
(Zip Code)

(714) 837-1200
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or Section 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such Reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes ✓ No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the least practicable date.

Class	Outstanding at April 22, 1992
Common Stock, par value $.01 per chare	2,665,748

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UNITED LEISURE CORPORATION AND SUBSIDIARIES

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Consolidated Balance Sheet
June 30, 1991 and December 31, 1990

Consolidated Statement of Operations
For the three months and six months ended
June 30, 1991 and June 30, 1990

Consolidated Statement of Cash Flows
June 30, 1991 and June 30, 1990

Management's Discussion and Analysis of Financial
Condition and Results of Operations

PART I - FINANCIAL INFORMATION

UNITED LEISURE CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheet
ASSETS

	June 30, 1991	Dec. 31, 1990
CASH	$ 688,986	$ 158,776
RECEIVABLES	116,212	78,058
PREPAID EXPENSES	32,181	4,005
INVESTMENT in limited partnership at cost	175,000	175,000
PROPERTY AND EQUIPMENT, less accumulated depreciation	159,669	239,742
OTHER ASSETS		
Repurchase of income stream, less accumulated deprecation	169,511	184,251
Loan costs, less accumulated deprecation	12,004	19,007
Restricted cash	407,055	407,055
Other	1,965	1,965
	$1,762,583	$ 1,267,859

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

LIABILITIES		
Notes payable	$ 330,168	$ 330,168
Accounts payable and accrued expenses	901,528	775,483
Due to Lessor (Note 2)	1,170,474	1,135,562
Due to related party	1,793,402	1,742,260
Deferred revenues	609,851	24,330
Deposits and other	124,275	124,275
	4,929,698	$ 4,132,078
STOCKHOLDERS' DEFICIENCY		
Preferred stock	1,600,000	1,600,000
Common stock	26,657	26,657
Capital in excess of par value	6,786,992	6,786,992
Accumulated deficit	(11,580,764)	(11,277,868)
TOTAL STOCKHOLDERS' DEFICIENCY	(3,167,115)	(2,864,219)
	$1,762,583	$ 1,267,859

See accompanying Notes to Consolidated Financial Statements

UNITED LEISURE CORPORATION AND SUBSIDIARIES
Consolidated Statement of Operations

	For the three months ended June 30, 1991	1990	For the six months ended June 30, 1991	1990
REVENUES				
Sublease arrangements	$ 277,357	$ 345,983	$ 474,976	$ 514,992
Camp admissions	57,278	53,583	57,278	53,583
Other	30,531	10,709	58,338	30,350
Total revenues	$ 365,166	$ 410,275	$ 590,592	$ 598,925
COSTS AND EXPENSES				
Occupancy	332,758	314,959	565,148	532,606
Selling	4,752	1,083	6,291	4,674
General & adm.	107,141	71,417	141,307	122,366
Interest	33,984	42,841	66,599	81,311
Depreciation	45,000	45,000	90,000	90,000
Amortization	10,871	10,871	21,743	21,743
Total costs & expenses	534,506	486,171	891,088	852,700
NET INCOME (LOSS) BEFORE TAXES	(169,340)	(75,896)	(300,496)	(253,775)
PROVISION FOR INCOME TAXES	2,400	3,000	2,400	3,000
NET INCOME (LOSS)	$(171,740)	$(78,896)	$(302,896)	$(256,775)
NET INCOME (LOSS) PER SHARE	$ (.06)	$(.03)	$(.11)	$(.10)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	2,665,748	2,665,748	2,665,748	2,665,748

UNITED LEISURE CORPORATION AND SUBSIDIARIES
Consolidated Statement of Cash Flows

	For the six months ended June 30, 1991	1990
CASH FLOWS FROM OPERATION		
Cash received under sublease arrangements	$ 1,061,753	$ 932,324
Cash paid to lessor, suppliers and employees	(512,060)	(611,882)
Interest paid	(9,556)	(9,418)
Income taxes paid		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 540,137	$ 311,024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property & equipment	(9,927)	
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	9,927	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from related party		55,000
Principal payments under short and long term debts		(174,809)
NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES		119,809
NET INCREASE (DECREASE) IN CASH	530,210	191,215
CASH BEGINNING OF PERIOD	158,776	5,205
CASH AT END OF PERIOD	$ 688,986	$ 196,420

See accompanying Notes to Consolidated Financial Statements

UNITED LEISURE CORPORATION AND SUBSIDIARIES
Consolidated Statement of Cash Flows - continued

	For the six months ended June 30, 1991	1990
RECONCILIATION OF NET LOSS TO NET CASH - USED BY OPERATING ACTIVITIES		
Net income (loss)	$ (302,896)	$ (256,775)
Adjustment to reconcile net loss to net cash used by operating activities		
Depreciation	90,000	90,000
Amortization of intangibles	21,743	21,744
Increase (decrease) in deferred revenues	585,521	417,802
Decrease (increase) in receivable	(38,154)	29,403
Decrease (increase) in prepaid expenses	(28,176)	(56,561)
Decrease (increase in other assets		
Increase (decrease) in accounts payable and accrued expenses	126,045	159,988
Increase (decrease) due to lessor	34,912	(206,506)
Increase due to related party	51,142	111,929
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 540,137	$ 311,024

See accompanying Notes to Consolidated Financial Statements

UNITED LEISURE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. The results of interim periods are not necessarily indicative of results to be expected for the year, due to the seasonal nature of the Company's business. In the opinion of the Company, the accompanying consolidated financial statements reflect all adjustments (which are normal recurring adjustments) necessary for a fair presentation of the results for the interim period and the comparable period presented. These condensed financial statements do not purport to be full presentations and do not include all requirements in accordance with generally accepted accounting principles, but include all information required by the instructions to Form 10-Q.

Note 2. Due to Lessor

This matter is in dispute with the landlord, The Irvine Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues for the second quarter were approximately 12 % less than the equivalent quarter of 1990. The decrease is largely attributable to the low rentals of one of the Company's tenants during this period.

The expenses of the Company increased approximately $50,000 primarily as a result of increased legal fees.

The Company continues to devote much of its time and resources to pursuing its lawsuit against its landlord, The Irvine Company. The trial originally set for September 25th, 1991 has been continued. The Company is moving to dismiss the Bankruptcy filing.

PART II - OTHER INFORMATION

No items of Part II are applicable to the Registrant for the period covered by this Quarterly Report on Form 10-Q.

Item 5. Exhibits and Reports of Form 8-k

a) Exhibits

None

b) Reports on Form 8-K

The Company did not file a Current Report on Form 8-K with the Securities and Exchange Commission during the period covered by this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED LEISURE CORPORATION

Date: 4 27 92

By: _____
Harry Shuster, Chairman of the Board and Chief Executive Officer

Date: 4 27 92

By: _____
Renate Graf, Vice President and Controller